

Before the  
Federal Communications Commission  
Washington, DC 20554

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In the Matter of:

Request for Review and  
Petition for Waiver of  
Rule by the Whiteville  
City School System from  
the Decision of Universal  
Service Administrator

) DOCKET FILE COPY ORIGINAL

) FCC Docket Nos. 97-21 and 96-45/

- ) 1. REQUEST FOR REVIEW  
) 2. PETITION FOR WAIVER OF RULE

STATEMENT OF PARTY'S INTEREST

The Whiteville City School System on February 18, 1999, was notified by the School and Libraries Division (SLD) that its Form 471 Application Number 35321 for E-rate funding discounts had been approved. For the reasons set out below, the school system was required to replace one of the providers listed in its original 471 application prior to receiving the actual funding and requested an approval to change the service provider. By letter dated October 15, 1999, the school system received the decision of Universal Service Administrator denying the requested approval to change the service provider and from that denial the school system appeals and petitions for a review of the Administrator's decision or in the alternative a waiver of the rules.

STATEMENT OF FACTS

The Whiteville City School System is a small rural system located in Columbus County, North Carolina, which is in the very most southeastern part of North Carolina. It is a low wealth school system and is comprised of four actual separate school campuses, those being Whiteville Primary School, Edgewood Elementary School, Central Middle School, and Whiteville High School. The total student enrollment is 2,752 with 1,621 students being eligible for free or reduced lunches which equals

to 59% of the student body being eligible. The student body is 54% Caucasian and 46% minority.

In 1997 the school system had very few computers with no networking capability between the separate schools and very limited internet access. There was only one dial-up connection for the entire high school which meant the entire grade level had to use that one connection to do school projects with as many as 240 students at one time attempting to use the one connection.

The school system had inquired into the cost of an infrastructure which would network the four separate school campuses and allow the separate schools access to not only the internet but other educational sources that were not presently available to the students. The cost of such an infrastructure had been estimated between \$500,000.00 and \$600,000.00.

The school system is funded by both state and local tax revenues and the expense of the infrastructure by law must be paid from the capital outlay funds. The entire capital outlay funds for the 1998-99 year was \$232,724.00. Even combining the budgeted capital outlay funds with reserve capital outlay funds, the school system still could not financially afford the infrastructure and was forced to delay consideration of it well into the future.

However, during December of 1997 the Office of the Governor and the North Carolina State Department of Public Instruction sent information to the school system informing it of the E-rate funding program and possible discounts. While the E-rate funding program in itself would not have allowed the school system to financially afford the needed infrastructure, the school system realized if it could in addition qualify for a State Literary Loan and use accumulated capital outlay monies, it might be able to afford the infrastructure. The State Literary Loan Fund is a program in which North Carolina schools are allowed to borrow money from the State of North Carolina and then repay it with interest. This loan program is defined by North Carolina General Statute 115C-459 and requires the county government to guarantee the loan by signing a note (Exhibit A).

At its very next meeting on January 20, 1998, the school system's Board authorized the Superintendent to proceed with the literary loan application. (See Board minutes of January 20, 1998, Exhibit B). The system applied for a \$400,000.00 Literary Fund loan on April 2, 1998. It was actually approved on June 5, 1998, but the system was not notified until July 2, 1998 by letter (Exhibit C). During this same time period, the school system also began the process of applying for the E-rate funding discount which was necessary for the school system to finance the infrastructure project.

The deadline for the E-rate Form 471 Application was April 15, 1998. The school system submitted its Form 471 Application on April 10, 1998, and as required had requested bids from providers for the different jobs of the infrastructure project and the names and amounts of the lowest providers were submitted with the application. The lowest provider for the internal connections job for the project was by MTS Services of Bedford, Inc. (MTS) with a total bid of \$302,414.00 for the four separate schools. On February 18, 1999, the system was notified the E-rate funding had been approved and based on the approved discount, the school would have saved \$239,653.00 on the bid submitted by MTS (Eight Page Letter from USAC dated February 18, 1999, Exhibit D).

Since the total projected cost of the total infrastructure exceeded \$100,000.00 in construction and \$30,000.00 in purchase of material and equipment, North Carolina General Statute 143-129 required the school system to publicly advertise and bid the same jobs already submitted in its Form 471 Application (Exhibit E, 4 pages). The school system delayed this bidding process as long as possible but finally had to advertise for bids in order to comply with state bidding requirements and be in a position to then complete any construction within the time limits of the E-rate funding program. The bids were actually opened on January 7, 1999, but were accepted subject to available funding as the school system at that time still had not been notified of approval of its E-rate funding request.

When the bids were opened, all the original providers set out in the Form 471 Application were still the lowest bidders except for MTS. Fiberworks submitted a bid of \$291,504.00 which was \$10,910.00 less than MTS's bid for the internal connections job. The school system was forced to accept this bid as General Statute 143-129 requires it to accept the lowest responsible bidder (Exhibit E).

It should also be noted that MTS in its bid was only going to install Category 5 wiring with two (2) drops per classroom and one (1) dial-up modem per classroom. This type system cannot be upgraded but actually requires additional wiring to add additional computers or modems. The bid by Fiberworks was not only lower but was a fiber system with eight (8) drops per classroom and the fiber system allowed an unlimited ability to add additional modems or computers without any upgrading or any additional expense in the future.

The school system immediately contacted SLD and informed SLD that the bid of Fiberworks had to be accepted and Fiberworks needed to be substituted in place of MTS as the provider for the internal connections job. SLD told the school system to submit a letter stating MTS was not accepting E-rate funding requesting a SPIN change and this was done by letter dated March 9, 1999 (Exhibit F). SLD then requested further information and this was done by letter of May 11, 1999 (Exhibit G).

The request was denied and it was appealed to the Administrator. This appeal was also denied in a letter dated October 15, 1999, from the Universal Service Administrator (Exhibit H, 2 Pages). It is from this decision of the administrator that the school system requests a review and also petitions that any applicable rules be waived.

## I. REQUEST FOR REVIEW OF ADMINISTRATOR'S DECISION

### ISSUES PRESENTED

1. Whether the school system's circumstances meet one of the requirements of SLD for SPIN change request?

2. Whether the school system's circumstances raise a novel question of fact, law or policy that should allow a SPIN change request?

### CONTENTIONS

Under SLD policy there are only three narrow circumstances allowing the SLD to approve SPIN change requests as follows:

- (a) Service provider refuses to participate in the E-rate program.
- (b) Service provider has gone out of business.
- (c) Service provider has breached its contract with the applicant.

The school system in all candor would admit that to the best of its knowledge, MTS agreed to participate in the E-rate program and is still in business and the requirements of subsections (a) and (b) do not apply. In respect to subsection (c), no contract was ever actually entered into with MTS since the school system was unable to financially commit to any contracts without knowing if the E-rate funding application would be approved and if it could receive additional funding through the literary loan. Therefore, subsection (c) technically would not be met either but this was not due to the fault of any of the parties involved.

The school system would contend that its circumstances present a novel question of fact, law or policy as the school system by complying with both federal regulations and state law suddenly did not meet the SLD requirements to change providers.

Under federal regulations the school system was required to and did submit its E-rate funding application by the deadline of

April 15, 1998. That application of course included providers with the amounts of their respective bids and SPIN numbers as required.

However, even anticipating a possible discount through E-rate funding, the school system did not have the necessary money to pay for the project without borrowing it through the North Carolina State Literary Loan Fund. It was not until approximately July of 1998 which was three months after the deadline for submitting the E-rate application, that the school system was notified it had indeed received a \$400,000.00 literary loan which would allow it to pay for the project. However, as noted, the school system was then required to advertise and publicly re-bid the project. MTS did participate in this new bidding process but Fiberworks was the lowest bidder. North Carolina State Law requires the school system to accept the lowest responsible bidder and the contract was then awarded to Fiberworks.

By complying with the federal requirement of the application deadline date and then complying with the state requirement of publicly bidding and accepting the lowest bidder, the school system was required to change providers and then request a SPIN change. By complying with both federal and state requirements, the school system now finds itself in the novel position that the bidder it was required to accept under state law is not one of the circumstances that will authorize SLD to approve a SPIN change.

The school system would contend to deny a SPIN change request would violate public policy. Public policy certainly requires persons or entities to comply with applicable laws and the school system has made every effort to do so. By accepting Fiberworks' low bid, the school system has also saved \$10,910.00 on the cost of the project and \$7,869.00 on the E-rate discount, both of which would be consistent with public policy.

## II. PETITION FOR WAIVER AND RELIEF FROM APPLICATION OF RULE

### PARTY'S INTEREST

The party's interest is the same as set out above in the request for review.

### STATEMENT OF FACTS

The statement of facts is the same as set out above in the request for review.

### ISSUE PRESENTED

1. Whether the commission's rule should be waived for good cause shown by the school system?

### CONTENTION

The commission's rules are generally presumed valid but can be waived for good cause shown. The commission may waive a rule where the particular facts make strict compliance inconsistent with public interest. In considering a waiver, the commission may also take in account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis.

The school system would contend that its situation constitutes the kind of particular facts or special circumstances that would warrant a waiver of the commission's rule. In order to have the money necessary to install the infrastructure, the school system had to be approved for a loan from the State of North Carolina under its Literary Loan Fund. In order to receive any possible E-rate funding discounts, the school system had to meet the application deadline of April 15, 1998.

As stated above the Form 471 Application was submitted by the school system on April 10, 1998, and the system on February 18, 1999, was notified it had been approved for E-rate funding. In the interim, the school system was notified in July of 1998

that it had been approved for the Literary Loan Fund.

Although the school system now had the funding necessary for the project, state law required the school system to advertise and publicly bid the project and accept the lowest bidder. The lowest bidder became Fiberworks and not MTS who was the provider listed on the original Form 471 Application.

The school system had no choice but to comply with the federal application deadline and to then comply with state law when the necessary funding was granted. By using Fiberworks as its new provider, the school system received the more technologically advanced fiber system versus a cable system at a savings of \$10,910.00 to the school system and the resulting savings of \$7,869.00 to the E-rate discount program. By not allowing the school system to change its provider would deny benefits to the students and savings to all parties concerned and certainly would be inconsistent with public interest and policy.

If the school system is not allowed to change its provider, this would clearly result in an extreme financial hardship to the school system. Fiberworks' total bid was \$291,504.00 and using the discount percentages allowed by SLD, the total amount of the funding discount which the school system eventually would receive would be \$231,784.00 on that part of the project. The total capital outlay budget allotted to the school system for the year 1998 by its county government was \$232,724.00 and the discount would be almost 100% of that amount. There is no way to express in words the importance of such a large amount of money to a low wealth school district such as the Whiteville City School System.

As noted, the school system had to obtain a state loan to have the necessary funds to construct the infrastructure. State law also required the school system because of the total amount of the project to advertise and publicly bid the project and accept the lowest bidder which was a different provider than the one listed in the original E-rate application. By complying with state law and being forced to change the provider, the school system then did not meet any of the three narrow circumstances which allow SLD to approve provider changes. The school system


feels certain that neither the State of North Carolina nor SLD ever anticipated or desired this end result. The school system would contend that these circumstances would also be grounds for waiving the rules.

#### RELIEF SOUGHT

The school system would admit that technically none of the three narrow circumstances allowing a change in provider applies to its unusual set of circumstances. However, the school system would contend that its set of circumstances present very novel questions of fact, law or policy and the Administrator's decision should be reversed and the school allowed to change the provider.

The school system would also contend that its particular facts would make strict compliance with the rules of SLD inconsistent with public interest and certainly result in an extreme financial hardship to the school system. It would also be inequitable not to allow the change of provider when the change resulted from the school system having to comply with state law in order to obtain actual funding to pay for the project. The school system would contend that both of the foregoing reasons would constitute grounds for a waiver of the rules and that it be allowed to change the provider and receive the funding discount.

This the 10th day of November, 1999.

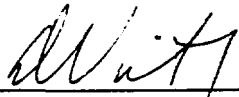
  
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DON W. VIETS, JR.  
Attorney for the Whiteville City  
School System  
107 Jefferson Street  
Whiteville, NC 28472  
Telephone: (910) 642-7019

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on this date the foregoing or attached Motion for Review of Administrator's Decision and Petition for Waiver of Rules by the Whiteville City School System was served upon the Office of the Administrator by mailing such copy, postage prepaid, first class mail to the address of:

Office of the Administrator  
Schools and Libraries Division  
Universal Service Administrative Co.  
Box 125- Correspondence Unit  
100 South Jefferson Road  
Whippany, NJ 07981

This the 10<sup>th</sup> day of November, 1999.


  
\_\_\_\_\_  
DON W. VIETS, JR.  
ATTORNEY AT LAW  
107 Jefferson Street  
Whiteville, NC 28472  
(910) 642-7019

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this date the foregoing or attached Motion for Review of Administrator's Decision and Petition for Waiver of Rules by the Whiteville City School System was served upon the Office of the Administrator by mailing such copy, postage prepaid, first class mail to the address of:

Ms. Sheryl Todd  
Federal Communications Commission  
Office of the Secretary of the FCC  
Accounting Policy Division of the Common Carrier  
445 12th Street, SW  
Room TW - A325  
Washington, DC 20554

This the 1<sup>st</sup> day of November, 1999.

  
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DON W. VIETS, JR.  
ATTORNEY AT LAW  
107 Jefferson Street  
Whiteville, NC 28472  
(910) 642-7019

## LIST OF EXHIBITS

- A. NCGS 115C-459
- B. Board Minutes of January 20, 1998 (2 pages)
- C. Letter Notifying of Approval of Literary Fund Loan dated July 2, 1998
- D. Letter From USAC dated February 18, 1999 (8 pages)
- E. NCGS 143-129 (4 pages)
- F. Letter Requesting SPIN Change dated March 9, 1999
- G. Letter with Additional Information for SPIN Change dated May 11, 1999
- H. Letter Denying Appeal From USAC dated October 15, 1999 (2 pages)
- I. Affidavit of Sharon Penny, Finance Officer for Whiteville City School System, Verifying Data used in Request for Review

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**§ 115C-459. Terms of loans**

Loans made under the provisions of this Article shall be payable in 10 installments, shall bear interest at a uniform rate determined by the State Board of Education not to exceed eight percent (8%), payable annually, and shall be evidenced by the note of the county, executed by the chairman, the clerk of the board of county commissioner, and the chairman and secretary of the local board of education, and deposited with the State Treasurer. The first installment of such loan, together with the interest on the whole amount then due, shall be paid by the local board on the tenth day of February after the tenth day of August subsequent to the making of such loan, and the remaining installments, together with the interest, shall be paid on the tenth day of February of each subsequent year until all shall have been paid.

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The Whiteville City Board of Education met in regular session on January 20, 1998, at 7:00 p.m. in the Civic Room of the Administration Building. Members present were Chairperson LaDeen Powell, Vice Chairperson Jackie McPherson, Mrs. Flossie Inman, Mr. Al Phillips, Mr. Harold Sellars and Mrs. Mary Anne Tyndall. Mr. Steve Smith was absent. Others present were Superintendent Otis McNeil, Assistant Superintendent Lon Pierce, Mr. James Prevatte, Mrs. Patricia Medlin, Mrs. Armelda Jones, Mrs. Ann Sauls, Mrs. Sharon Penny, Attorney Don Viets, Mrs. Fran Smith, Mr. Coleman Barbour, Mr. Kyle Ramey, Mr. Rob Conway, Mrs. Wanda Schrader, Ms. Kathy Kelley, Ms. Vivian Adams, Mr. Robert Little, Jr., Mr. Harry Simmons, Ms. Linda Register, Ms. Diana Gause, Ms. Nora Richards, Ms. Donna Scarpena, Ms. Jane Adams, and Ms. Lorraine Banks. The Chair called the meeting to order and Mrs. McPherson gave the invocation.

Dr. McNeil presented a North Carolina School Board Association (NCSBA) Level IV Diploma of Distinction to LaDeen Powell, NCSBA Level III Certificate of Excellence to Flossie Inman, and NCSBA Level I Certificates of Achievement to Jackie McPherson, Al Phillips and Mary Anne Tyndall. Mr. Smith earned a NCSBA Level II Certificate of Advanced Achievement which will be presented to him at a later date. These certificates recognize board members for completion of training sessions. In observance of School Board Appreciation Month and in recognition and appreciation of service to students staff and community, Dr. McNeil also presented lapel pins from NCSBA and lapel buttons from the administration of the school system.

Mrs. Inman made a motion to approve the minutes for December 9, 1997. Mr. Phillips seconded, and the motion carried unanimously.

Mrs. McPherson made a motion to approve budget amendments as presented. Mrs. Tyndall seconded the motion and it carried unanimously.

Upon recommendation by Chairperson Powell, Mrs. McPherson made a motion that the regular meeting date for the board be changed from the second Tuesday of each month to the second Monday of each month at 7:00 p.m. Mrs. Tyndall seconded, and the motion carried unanimously.

Upon recommendation by Superintendent McNeil, Mrs. McPherson made a motion to approve that the administration move forward with an application for a Literary Loan Fund and that the superintendent meet with the county commissioners and begin the application process. Mrs. Inman seconded the motion, and it carried unanimously.

Policy revisions regarding Field Trips and Excursions, Promotion and Retention and Grading Systems were presented for first reading.

Upon recommendation by the superintendent, Mr. Phillips made a motion to approve changes in the Whiteville City Schools Facilities Fee Schedule as presented. Mrs. Tyndall seconded, and the motion carried unanimously.

The Curriculum Report was received for information.

Mr. Sellars made a motion to approve personnel as recommended by the superintendent. Mr. Phillips seconded, and the motion carried unanimously.

Mrs. McPherson made a motion to enter into closed session. Mrs. Tyndall seconded, and the motion carried unanimously.

Mr. Phillips made a motion to return to open session, Mrs. Tyndall seconded, and the motion carried unanimously.

Mrs. Inman made a motion to approve an increase for 1998-99 of \$4,800 for the superintendent's salary and \$2,400 for the assistant superintendent's salary. Mr. Sellars seconded the motion, and it carried unanimously.


Superintendent McNeil read a letter of resignation from board member Harold Sellars. The board accepted the resignation of Mr. Sellars effective January 21, 1998. Mrs. McPherson made the motion, Mrs. Inman seconded, and it carried unanimously.

On behalf of the board, Chairperson Powell extended gratitude to Mr. Sellars for his service.

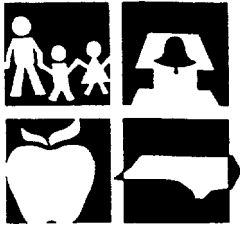
Chairperson Powell stated that the vacant seat must be filled within 15 days, and that the board would receive information from any persons who reside in District III who might be interested in filling the vacancy by way of a letter of intent and resume by Wednesday, January 28, 1998. She stated that the board will announce a called meeting to fill this vacancy by February 4, 1998.

Mr. Phillips announced that he would like to be considered for the seat.

Mrs. Inman made a motion to adjourn, Mrs. McPherson seconded, and the motion carried unanimously.

  
LaDeen Powell, Chairperson

  
Otis McNeil, Ed.D., Secretary



# Public Schools of North Carolina

State Board of Education  
Phillip J. Kirk, Jr., Chairman

<http://www.dpi.state.nc.us>

Department of Public Instruction  
Michael E. Ward, State Superintendent

July 2, 1998

Dr. Otis McNeil, Superintendent  
107 W. Walter Street  
Whiteville, NC 28472-4019

Dear Dr. McNeil:

Whiteville City Board of Education's application for a \$400,000.00 State Literary Loan to upgrade the electrical service to accommodate current technology needs at Edgewood Elementary, Central Middle and Whiteville High was approved by the State Board of Education on April 2, 1998 and the Local Government Commission on June 6, 1998. The Operational Accounting Section is charged with obtaining the proper approval signatures on the notes.

Please find enclosed ten promissory notes each of which must be signed and sealed by the City Board of Education and the Board of County Commissioners. The signed notes must be returned to my attention at the North Carolina Department of Public Instruction, 301 N. Wilmington Street, Raleigh, NC 27601-2825 as soon as possible. Interest is calculated from July 20, 1998 so I must receive the executed notes by July 15, 1998 if the loan check is to be issued by July 20, 1998.

Also enclosed is a repayment schedule with due dates and total principal and interest due annually. If you have any question, please call me at (919) 715-1332.

Sincerely,

Sarah Harris, Section Chief  
Division of Financial Services  
Operational Accounting Section

SCH

Enclosures

RECEIVED FEB 24 1999

Box 125 - Correspondence Unit  
100 South Jefferson Road  
Whippany, NJ 07981

WHITEVILLE CITY SCHOOL DIST  
Patricia L. Medlin  
107 W WALTER ST  
WHITEVILLE NC 28472-4019

February 18, 1999

Re: Form 471 Application Number: 35321  
Funding Year: 1998  
Billed Entity Number: 127013

We have completed our review of your FCC Form 471, Services Ordered and Certification Form, and made decisions with respect to your requests for discounts along with other applications received within the same time period. This letter is to advise you of our decisions.

As you may know, the Federal Communications Commission (FCC) in June 1998 made two changes to the Universal Service Fund for schools and libraries that have direct bearing on your discount request for 1998. First, the 1998 program year has been extended by six months, for a new ending date of June 30, 1999. Second, the FCC established new funding priorities whereby all eligible applicants will receive discounts for eligible telecommunications services and Internet access. Support for internal connections will be allocated in accordance with need so that schools and libraries will receive discounts in order of the discount percentages for which they qualify beginning with applications qualifying for the highest discount percentages. Discounts for internal connections will continue until all funds are exhausted. These changes are reflected in the information in this letter regarding your discount request.

On the following page(s) is a list, by row of Items 15 and 16 of your FCC Form 471. For each item, there is a Funding Request Number (FRN) and several other

very important pieces of information relating to the disposition of that request. A complete explanation of each item begins below.

If you have any questions about our decisions on your discounts, you may send them in writing to the Schools and Libraries Corporation, Box 125 - Correspondence Unit, 100 South Jefferson Road, Whippany, NJ 07981.

Your next step in the discounting process is to complete and submit the FCC Form 486 enclosed with this letter to notify the SLC that you are currently receiving or have already begun to receive services for which discounts have been approved. This will enable your service providers to invoice SLC for your discounts. Please note that we are notifying each service provider listed on your Form 471 of our decision on your discount request. In addition, you should contact each service provider yourself to make any necessary arrangements regarding start of services, billing of discounts, and any other administrative details relevant to your participation in the Universal Service Fund. For important information about your Form 486, see next page.

FCC Form 471 Applicants who are approved for discount eligibility are reminded that they continue to be subject to audits and other reviews that the SLC may undertake to assure that discounted services are being used in compliance with program rules. If the SLC discovers that discounted services are not being used in compliance with program rules, 471 Applicants will be subject to enforcement activities and other means of recourse by the SLC and other appropriate Federal, state, and local authorities.

#### Explanation of Information Provided in SLC Funding Notification

On the following pages we provide you with a synopsis of the discount eligibility decision for each item you requested. To help understand this synopsis the following definitions are provided:

- \* Funding Request Number (FRN): A number assigned by the SLC that will identify a Funding Request. A Funding Request is a single row of item 15 or 16.
- \* Funding Status: An item may be "Funded," "Denied," "Partially Funded," or not approved because of "Funds Exhausted." An item that is "Funded" will be approved at the level that SLC determines is appropriate for that item. That will generally be the level requested by the Applicant unless the SLC determines during the application review process that some adjustment is appropriate, for example, a different discount percentage for that item than the FCC Form 471 featured. If an item is "Denied," that denial will be briefly explained in the "Funding Commitment Decision," and amplification of that explanation may be offered in the section, "Funding Commitment Decision Explanation." An item will be "Partially Funded" or "Unfunded," in accordance with FCC program rules, if the total amount of funds in the Universal Service Fund is insufficient to fully fund all approved requests. If the Form 471 was received after all the funds in the Universal Service Fund were allocated and it was processed, the status will indicate "Unfunded - Funds Exhausted."
- \* SPIN (Service Provider Identification Number): A unique number assigned to each service provider by the Universal Service Administrative Company (USAC).
- \* Service Provider Name: The legal name of the service provider.
- \* Provider Contract Number: The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on Form 471.
- \* Services Ordered: The type of service ordered from the service provider, as shown on Form 471.

- \* **Earliest Possible Effective Date of Discount:** The first possible date of service for which the SLC will reimburse the service provider for discounted services. Note: If the actual service start date provided on a Form 486 is later than this date, the actual service start date set forth in the Form 486 will be the effective date of the discount.
- \* **Contract Expiration Date:** The date the contract expires. This will be present only if a contract expiration date was provided on Form 471.
- \* **Estimated Total Annual Pre-discount Cost:** Amount in Column 10 of Item 15/16, Form 471 as determined through the application review process, PLUS an automatic extension of monthly costs for Telecommunications Services and Internet Access through June 30, 1999. Please note that, during the Problem Resolution process at SLC, the amount in Col. 10 of Item 15/16 may have been corrected to conform to the information provided about Service Start Date and Monthly Costs.
- \* **Discount Percentage Approved by SLC:** This is the discount rate that the SLC has approved for this service.
- \* **Funding Commitment Decision:** This represents the total amount of funding that the SLC is now reserving to reimburse service providers for the cost of the discount for this service. This figure may be different from the Estimated Total Annual Pre-Discount Cost (Col. 10 of Item 15/16) times the Percentage Discount (Col. 11 of Item 15/16) in your application. It may be higher because of the addition of the monthly cost for Telecommunications Services and Internet Access for the six months from January 1, 1999, through June 30, 1999. It may be lower because of an adjustment determined appropriate by the SLC, such as of the discount percentage, or a denial of discounts and, if so, the accompanying comment will explain this difference. The difference may also reflect a reduction from the request level made necessary by overall funding limitations, in which case the "Funding Status" above will indicate "Partially Funded" or "Unfunded." Whatever amount is listed here, it is important that you and your service provider both recognize that the SLC should be invoiced and the SLC may direct disbursement of discounts on only eligible, approved services actually rendered.
- \* **Funding Commitment Decision Explanation:** This entry may appear to amplify the comment in the "Funding Commitment Decision," if the discount request for this service is denied for reasons other than "Unfunded" or if the SLC determined that some adjustment to the request level was appropriate.

Using the Enclosed FCC Form 486 and Invoice

FCC Form 486: You will use this form to notify the SLC that you are currently receiving or have already received services for which discounts have been approved. Your completed Form 486 allows us to begin processing invoices from your service providers for your discounts. It also sets in motion the process by which you and your service provider can invoice SLC for approved services you have already paid for.

Each Billed Entity Applicant must file a separate Form 486, although each Billed Entity's Form 486 may include services from multiple Forms 471 if the same Billed Entity Number is listed on the various Funding Commitment Decision letters that you receive. When completing your Form 486, please be certain to use the Billed Entity Number as listed at the beginning of this Funding Commitment letter. (We may have revised or corrected the Billed Entity Number from your original Form 471, so please use the number exactly as it is listed in this letter.)

To assist in completing your Form 486, we have pre-printed your Block 1 information, including the Billed Entity Number. Please review the pre-printed

Schools and Libraries Corporation Page 3 of 8

02/18/1999

information. If you believe there is an error in the pre-printed information -except for the Billed Entity Number-please cross off and print the correct information above each item. Then make multiple copies of this Billed Entity -specific Form 486 for future use, and follow the instructions with the form to complete and submit it to SLC.

Billed Entity Applicant Reimbursement Form: If you have already paid in full for services for which you are now being approved for discounts, you can use the enclosed Billed Entity Applicant Reimbursement Form to seek reimbursement from your service provider. This Form is not for use by service providers, who have their own invoice form. If you plan to submit a Billed Entity Applicant Reimbursement Form, please read and follow the instructions carefully regarding the Form as well as the Form 486 to avoid delay in processing your reimbursement.

SLC Funding Notification Synopsis for Application Number: 00035321

★ Funding Request Number: 00035960 Funding Status: Funded  
SPIN: 143004340 Service Provider Name: Dell Marketing LP  
Provider Contract Number: PO 2847  
Services Ordered: Internal Connections  
Effective Date of Discount: 06/01/1998 Contract Expiration Date: 04/10/2001  
Estimated Total Annual Pre-discount Cost: \$12,061.00  
Discount Percentage Approved by SLC: 80%  
Funding Commitment Decision: \$9,648.80 - 471 approved as submitted

★ Funding Request Number: 00035968 Funding Status: Funded  
SPIN: 143007660 Service Provider Name: Bridgette, Inc. CSA Cutting Edge  
Provider Contract Number: PO 2848  
Services Ordered: Internal Connections  
Effective Date of Discount: 06/01/1998 Contract Expiration Date: 04/10/2001  
Estimated Total Annual Pre-discount Cost: \$8,904.00  
Discount Percentage Approved by SLC: 80%  
Funding Commitment Decision: \$7,123.20 - 471 approved as submitted

— Funding Request Number: 00035980 Funding Status: Funded  
SPIN: 143004930 Service Provider Name: North Carolina Dept. Of Commerce, St.  
Provider Contract Number: PO 2849  
Services Ordered: Dedicated Services  
Effective Date of Discount: 06/01/1998 Contract Expiration Date: 04/10/2001  
Estimated Total Annual Pre-discount Cost: \$43,860.00  
Discount Percentage Approved by SLC: 80%  
Funding Commitment Decision: \$35,088.00 - 471 approved as submitted

— Funding Request Number: 00035998 Funding Status: Funded  
SPIN: 143006626 Service Provider Name: MTS Services of Bedford, Inc.  
Provider Contract Number: PO 2850  
Services Ordered: Internal Connections  
Effective Date of Discount: 06/01/1998 Contract Expiration Date: 04/10/2001  
Estimated Total Annual Pre-discount Cost: \$80,047.00  
Discount Percentage Approved by SLC: 80%  
Funding Commitment Decision: \$64,037.60 - 471 approved as submitted

Edgewood  
Elementary  
School

- ★ Funding Request Number:00036066 Funding Status: Funded  
SPIN: 143004340 Service Provider Name: Dell Marketing LP  
Provider Contract Number: PO 2843  
Services Ordered: Internal Connections  
Effective Date of Discount: 06/01/1998 Contract Expiration Date: 04/10/2001  
Estimated Total Annual Pre-discount Cost: \$12,061.00  
Discount Percentage Approved by SLC: 80%  
Funding Commitment Decision: \$9,648.80 - 471 approved as submitted
- 
- ★ Funding Request Number:00036072 Funding Status: Funded  
SPIN: 143007660 Service Provider Name: Bridgette, Inc. DBA Cutting Edge  
Provider Contract Number: PO 2844  
Services Ordered: Internal Connections  
Effective Date of Discount: 06/01/1998 Contract Expiration Date: 04/10/2001  
Estimated Total Annual Pre-discount Cost: \$8,904.00  
Discount Percentage Approved by SLC: 80%  
Funding Commitment Decision: \$7,123.20 - 471 approved as submitted
- 
- Funding Request Number:00036080 Funding Status: Funded  
SPIN: 143004930 Service Provider Name: North Carolina Dept. Of Commerce, St.  
Provider Contract Number: PO 2845  
Services Ordered: Dedicated Services  
Effective Date of Discount: 06/01/1998 Contract Expiration Date: 04/10/2001  
Estimated Total Annual Pre-discount Cost: \$43,850.00  
Discount Percentage Approved by SLC: 80%  
Funding Commitment Decision: \$35,080.00 - 471 approved as submitted
- 
- Funding Request Number:00036088 Funding Status: Funded  
SPIN: 143006626 Service Provider Name: MTS Services of Bedford, Inc.  
Provider Contract Number: PO 2846  
Services Ordered: Internal Connections  
Effective Date of Discount: 06/01/1998 Contract Expiration Date: 04/10/2001  
Estimated Total Annual Pre-discount Cost: \$65,919.00  
Discount Percentage Approved by SLC: 80%  
Funding Commitment Decision: \$52,735.20 - 471 approved as submitted

Whitwell  
High  
School

- ★ Funding Request Number:00036093 Funding Status: Funded  
SPIN: 143004340 Service Provider Name: Dell Marketing LP  
Provider Contract Number: PO 2851  
Services Ordered: Internal Connections  
Effective Date of Discount: 06/01/1998 Contract Expiration Date: 04/10/2001  
Estimated Total Annual Pre-discount Cost: \$12,061.00  
Discount Percentage Approved by SLC: 70%  
Funding Commitment Decision: \$8,442.70 - 471 approved as submitted
- 
- ★ Funding Request Number:00036100 Funding Status: Funded  
SPIN: 143007660 Service Provider Name: Bridgette, Inc. DBA Cutting Edge  
Provider Contract Number: PO 2852  
Services Ordered: Internal Connections  
Effective Date of Discount: 06/01/1998 Contract Expiration Date: 04/10/2001  
Estimated Total Annual Pre-discount Cost: \$8,904.00  
Discount Percentage Approved by SLC: 70%  
Funding Commitment Decision: \$6,232.80 - 471 approved as submitted
- 
- Funding Request Number:00036107 Funding Status: Funded  
SPIN: 143004930 Service Provider Name: North Carolina Dept. Of Commerce, St.  
Provider Contract Number: PO 2853  
Services Ordered: Dedicated Services  
Effective Date of Discount: 06/01/1998 Contract Expiration Date: 04/10/2001  
Estimated Total Annual Pre-discount Cost: \$43,850.00  
Discount Percentage Approved by SLC: 70%  
Funding Commitment Decision: \$30,695.00 - 471 approved as submitted
- 
- Funding Request Number:00036110 Funding Status: Funded  
SPIN: 143006626 Service Provider Name: MTS Services of Bedford, Inc.  
Provider Contract Number: PO 2854  
Services Ordered: Internal Connections  
Effective Date of Discount: 06/01/1998 Contract Expiration Date: 04/10/2001  
Estimated Total Annual Pre-discount Cost: \$89,612.00  
Discount Percentage Approved by SLC: 70%  
Funding Commitment Decision: \$62,728.40 - 471 approved as submitted

Whiterville  
Primary  
School

★ Funding Request Number:00036115 Funding Status: Funded  
SPIN: 143004340 Service Provider Name: Dell Marketing LP  
Provider Contract Number: PO 2839  
Services Ordered: Internal Connections  
Effective Date of Discount: 06/01/1998 Contract Expiration Date: 04/10/2001  
Estimated Total Annual Pre-discount Cost: \$12,061.00  
Discount Percentage Approved by SLC: 90%  
Funding Commitment Decision: \$10,854.90 - 471 approved as submitted

★ Funding Request Number:00036118 Funding Status: Funded  
SPIN: 143007660 Service Provider Name: Bridgette, Inc. DBA Cutting Edge  
Provider Contract Number: PO 2840  
Services Ordered: Internal Connections  
Effective Date of Discount: 06/01/1998 Contract Expiration Date: 04/10/2001  
Estimated Total Annual Pre-discount Cost: \$8,904.00  
Discount Percentage Approved by SLC: 90%  
Funding Commitment Decision: \$8,013.60 - 471 approved as submitted

— Funding Request Number:00036122 Funding Status: Funded  
SPIN: 143004930 Service Provider Name: North Carolina Dept. Of Commerce, St.  
Provider Contract Number: PO 2841  
Services Ordered: Dedicated Services  
Effective Date of Discount: 06/01/1998 Contract Expiration Date: 04/10/2001  
Estimated Total Annual Pre-discount Cost: \$43,850.00  
Discount Percentage Approved by SLC: 90%  
Funding Commitment Decision: \$39,465.00 - 471 approved as submitted

Funding Request Number:00036125 Funding Status: Funded  
SPIN: 143006626 Service Provider Name: MTS Services of Bedford, Inc.  
Provider Contract Number: PO 2842  
Services Ordered: Internal Connections  
Effective Date of Discount: 06/01/1998 Contract Expiration Date: 04/10/2001  
Estimated Total Annual Pre-discount Cost: \$66,836.00  
Discount Percentage Approved by SLC: 90%  
Funding Commitment Decision: \$60,152.40 - 471 approved as submitted

**§ 143-129. Procedure for letting of public contracts; purchases from federal government by State, counties, etc.**

**•Historical Notes**

(a) No construction or repair work requiring the estimated expenditure of public money in an amount equal to or more than one hundred thousand dollars (\$100,000) or purchase of apparatus, supplies, materials, or equipment requiring an estimated expenditure of public money in an amount equal to or more than thirty thousand dollars (\$30,000), except in cases of group purchases made by hospitals through a competitive bidding purchasing program or in cases of special emergency involving the health and safety of the people or their property, shall be performed, nor shall any contract be awarded therefor, by any board or governing body of the State, or of any institution of the State government, or of any county, city, town, or other subdivision of the State, unless the provisions of this section are complied with. For purposes of this Article, a competitive bidding group purchasing program is a formally organized program that offers purchasing services at discount prices to two or more hospital facilities. The limitation contained in this paragraph shall not apply to construction or repair work undertaken during the progress of a construction or repair project initially begun pursuant to this section. Further, the provisions of this section shall not apply to the purchase of gasoline, diesel fuel, alcohol fuel, motor oil or fuel oil. Such purchases shall be subject to G.S. 143-131.

For purchases of apparatus, supplies, materials, or equipment, the governing body of any municipality, county, or other political subdivision of the State may, subject to any restriction as to dollar amount, or other conditions that the governing body elects to impose, delegate to the manager or the chief purchasing official the authority to award contracts, reject bids, readvertise to receive bids on behalf of the unit, or waive bid bonds or deposits, or performance and payment bond requirements. Any person to whom authority is delegated under this subsection shall comply with the requirements of this Article that would otherwise apply to the governing body.

(b) Advertisement of the letting of such contracts shall be as follows:

Where the contract is to be let by a board or governing body of the State government, or of a State institution, as distinguished from a board or governing body of a subdivision of the State, proposals shall be invited by advertisement at least one week before the time specified for the opening of said proposals in a newspaper having general circulation in the State of North Carolina. Provided that the advertisements for bidders required by this section shall be published at such a time that at least seven full days shall lapse between the date of publication of notice and the date of the opening of bids.

Where the contract is to be let by a county, city, town or other subdivision of the State, proposals shall be invited by advertisement at least one week before the time specified for the opening of said proposals in a newspaper having general circulation in such county, city, town or other subdivision.

Such advertisement shall state the time and place where plans and specifications of proposed work or a complete description of the apparatus, supplies, materials or equipment may be had, and the time and place for opening of the proposals, and shall reserve to said board or governing body the right to reject any or all such proposals.

Proposals shall not be rejected for the purpose of evading the provisions of this Article. No board or

governing body of the State or subdivision thereof shall assume responsibility for construction or purchase contracts, or guarantee the payments of labor or materials therefor except under provisions of this Article.

All proposals shall be opened in public and shall be recorded on the minutes of the board or governing body and the award shall be made to the lowest responsible bidder or bidders, taking into consideration quality, performance and the time specified in the proposals for the performance of the contract. In the event the lowest responsible bids are in excess of the funds available for the project, the responsible board or governing body is authorized to enter into negotiations with the lowest responsible bidder above mentioned, making reasonable changes in the plans and specifications as may be necessary to bring the contract price within the funds available, and may award a contract to such bidder upon recommendation of the Department of Administration in the case of the State government or of a State institution or agency, or upon recommendation of the responsible commission, council or board in the case of a subdivision of the State, if such bidder will agree to perform the work at the negotiated price within the funds available therefor. If a contract cannot be let under the above conditions, the board or governing body is authorized to readvertise, as herein provided, after having made such changes in plans and specifications as may be necessary to bring the cost of the project within the funds available therefor. The procedure above specified may be repeated if necessary in order to secure an acceptable contract within the funds available therefor.

No proposal shall be considered or accepted by said board or governing body unless at the time of its filing the same shall be accompanied by a deposit with said board or governing body of cash, or a cashier's check, or a certified check on some bank or trust company insured by the Federal Deposit Insurance Corporation in an amount equal to not less than five percent (5%) of the proposal. In lieu of making the cash deposit as above provided, such bidder may file a bid bond executed by a corporate surety licensed under the laws of North Carolina to execute such bonds, conditioned that the surety will upon demand forthwith make payment to the obligee upon said bond if the bidder fails to execute the contract in accordance with the bid bond. This deposit shall be retained if the successful bidder fails to execute the contract within 10 days after the award or fails to give satisfactory surety as required herein. In the case of proposals for the purchase of apparatus, supplies, materials, or equipment, the board or governing body may waive the requirement for a bid bond or other deposit.

Bids shall be sealed and the opening of an envelope or package with knowledge that it contains a bid or the disclosure or exhibition of the contents of any bid by anyone without the permission of the bidder prior to the time set for opening in the invitation to bid shall constitute a Class 1 misdemeanor.

(c) All contracts to which this section applies shall be executed in writing, and the board or governing body shall require the person to whom the award of contract is made to furnish bond as required by Article 3 of Chapter 44A; or require a deposit of money, certified check or government securities for the full amount of said contract to secure the faithful performance of the terms of said contract and the payment of all sums due for labor and materials in a manner consistent with Article 3 of Chapter 44A; and no such contract shall be altered except by written agreement of the contractor, the sureties on his bond, and the board or governing body. Such surety bond or deposit required herein shall be deposited with the board or governing body for which the work is to be performed. When a deposit, other than a surety bond, is made with the board or governing body, said board or governing body assumes all the liabilities, obligations and duties of a surety as provided in Article 3 of Chapter 44A to the extent of said deposit. In the case of contracts for the purchase of apparatus, supplies, materials, or equipment, the board or governing body may waive the requirement for a surety bond or other deposit.

The owning agency or the Department of Administration, in contracts involving a State agency, and the owning agency or the governing board, in contracts involving a political subdivision of the State, may reject the

bonds of any surety company against which there is pending any unsettled claim or complaint made by a State agency or the owning agency or governing board of any political subdivision of the State arising out of any contract under which State funds, in contracts with the State, or funds of political subdivisions of the State, in contracts with such political subdivision, were expended, provided such claim or complaint has been pending more than 180 days.

(d) Nothing in this section shall operate so as to require any public agency to enter into a contract which will prevent the use of unemployment relief labor paid for in whole or in part by appropriations or funds furnished by the State or federal government.

(e) Any board or governing body of the State or any institution of the State government or of any county, city, town, or other subdivision of the State may enter into any contract with (i) the United States of America or any agency thereof, or (ii) any other government unit or agency thereof within the United States, for the purchase, lease, or other acquisition of any apparatus, supplies, materials, or equipment without regard to the foregoing provisions of this section or to the provisions of any other section of this Article.

The Secretary of Administration or the governing board of any county, city, town, or other subdivision of the State may designate any officer or employee of the State, county, city, town or subdivision to enter a bid or bids in its behalf at any sale of apparatus, supplies, materials, equipment or other property owned by (i) the United States of America or any agency thereof, or (ii) any other governmental unit or agency thereof within the United States, and may authorize such officer or employee to make any partial or down payment or payment in full that may be required by regulations of the government or agency disposing of such property.

(f) The provisions of this Article shall not apply to purchases of apparatus, supplies, materials, or equipment when performance or price competition for a product are not available; when a needed product is available from only one source of supply; or when standardization or compatibility is the overriding consideration. Notwithstanding any other provision of this section, the governing board of a municipality, county, or other subdivision of the State shall approve the purchases listed in the preceding sentence prior to the award of the contract. In the case of purchases by hospitals, in addition to the other exceptions in this subsection, the provisions of this Article shall not apply when a particular medical item or prosthetic appliance is needed; when a particular product is ordered by an attending physician for his patients; when additional products are needed to complete an ongoing job or task; when products are purchased for "over-the-counter" resale; when a particular product is needed or desired for experimental, developmental, or research work; or when equipment is already installed, connected, and in service under a lease or other agreement and the governing body of the hospital determines that the equipment should be purchased. The governing body of a hospital, municipality, county or other political subdivision of the State shall keep a record of all purchases made pursuant to this subsection. These records are subject to public inspection.

(g) When the governing board of any municipality, county, or other subdivision of the State, or the manager or purchasing official delegated authority under subsection (a) of this section, determines that it is in the best interest of the unit, the requirements of this section may be waived for the purchase of apparatus, supplies, materials, or equipment from any person or entity that has, within the previous 12 months, after having completed a public, formal bid process substantially similar to that required by this Article, contracted to furnish the apparatus, supplies, materials, or equipment to:

- (1) The United States of America or any federal agency;
- (2) The State of North Carolina or any agency or political subdivision of the State; or
- (3) Any other state or any agency or political subdivision of that state,

if the person or entity is willing to furnish the items at the same or more favorable prices, terms, and conditions as those provided under the contract with the other unit or agency. Notwithstanding any other provision of this section, any purchase made under this subsection shall be approved by the governing body of the purchasing municipality, county, or other political subdivision of the State at a regularly scheduled meeting of the governing body no fewer than 10 days after publication of notice, in a newspaper of general circulation in the area served by the governing body, that a waiver of the bid procedure will be considered in order to contract with a qualified supplier pursuant to this section. Rules issued by the Secretary of Administration pursuant to G.S. 143-49(6) shall apply with respect to participation in State term contracts.

(h) Notwithstanding any other provision of this section, any board or governing body of any regional public transportation authority, hereafter referred to as a "RPTA," created pursuant to Article 26 of Chapter 160A of the General Statutes, or a regional transportation authority, hereafter referred to as a "RTA," created pursuant to Article 27 of Chapter 160A of the General Statutes, may approve the entering into of any contract for the purchase, lease, or other acquisition of any apparatus, supplies, materials, or equipment without competitive bidding and without meeting the requirements of subsection (b) of this section if the following procurement by competitive proposal (Request for Proposal) method is followed.

The competitive proposal method of procurement is normally conducted with more than one source submitting an offer or proposal. Either a fixed price or cost reimbursement type contract is awarded. This method of procurement is generally used when conditions are not appropriate for the use of sealed bids. If this procurement method is used, all of the following requirements apply:

- (1) Requests for proposals shall be publicized. All evaluation factors shall be identified along with their relative importance.
- (2) Proposals shall be solicited from an adequate number of qualified sources.
- (3) RPTAs or RTAs shall have a method in place for conducting technical evaluations of proposals received and selecting awardees, with the goal of promoting fairness and competition without requiring strict adherence to specifications or price in determining the most advantageous proposal.
- (4) The award may be based upon initial proposals without further discussion or negotiation or, in the discretion of the evaluators, discussions or negotiations may be conducted either with all offerors or with those offerors determined to be within the competitive range, and one or more revised proposals or a best and final offer may be requested of all remaining offerors. The details and deficiencies of an offeror's proposal may not be disclosed to other offerors during any period of negotiation or discussion.
- (5) The award shall be made to the responsible firm whose proposal is most advantageous to the RPTA's or the RTA's program with price and other factors considered.

The contents of the proposals shall not be public records until 14 days before the award of the contract.

The board or governing body of the RPTA or the RTA shall, at the regularly scheduled meeting, by formal motion make findings of fact that the procurement by competitive proposal (Request for Proposals) method of procuring the particular apparatus, supplies, materials, or equipment is the most appropriate acquisition method prior to the issuance of the requests for proposals and shall by formal motion certify that the requirements of this subsection have been followed before approving the contract.

Nothing in this subsection subjects a procurement by competitive proposal under this subsection to G.S. 143-49, 143-52, or 143-53.



# WHITEVILLE CITY SCHOOLS

Post Office Box 609  
Whiteville, North Carolina 28472  
Telephone: (910) 642-4116 • Fax: (910) 642-0564



## Board of Education

Jackie McPherson, Chairperson  
Al Phillips, Vice Chairperson  
Flossie Inman  
LaDeen Powell  
Mary Anne Tyndall

Anthony L. Parker, Ed. D.  
Superintendent

Lon O. Pierce, Ed. D.  
Associate Superintendent

March 9, 1999

SLC  
125 Correspondence Units  
100 South Jefferson  
Whippany, NJ 07981

To Whom It May Concern:

The purpose of this letter is to request a SPIN change. The old vendor is not accepting e-rate for my school district's application; therefore, I had to go with another competitively bid vendor.

The old vendor was: MTS Services of Bedford, Inc.  
SPIN 143006626

The new vendor is: Fiberworks, Inc.  
SPIN 143006208

Thank you for your prompt attention to this change.

Sincerely,

*Patricia L. Medlin*  
Patricia L. Medlin

Patricia L. Medlin  
Contact Person

Application Name: Whiteville City Schools  
Billed Entity Number: 127013  
471 Application Number: 35321  
FRN's: 00036125  
00036088  
00035993  
00036110

Exhibit F

Building a Foundation for Tomorrow  
An Equal Opportunity Employer



# WHITEVILLE CITY SCHOOLS

Post Office Box 609  
Whiteville, North Carolina 28472  
Telephone: (910) 642-4116 • Fax (910) 642-0564



Board of Education

Jackie McPherson, Chairperson  
Al Phillips, Vice Chairperson  
Flossie Inman  
LaDeen Powell  
Mary Anne Tyndall

Anthony L. Parker, Ed.D.  
Superintendent

Lon O. Pierce, Ed. D.  
Associate Superintendent

May 11, 1999

Dear Schools and Libraries Division:

The purpose of this letter is to fully explain my district's request for a SPIN change. Due to the delay in the e-rate funding, the Whiteville City Schools Board of Education decided that our students and staff could not wait any longer. Looking at our needs, a stronger, more robust network was designed and put out to bid. MTS Services (SPIN 143006626) was the original low bidder for the school LANs through the e-rate process. They participated in the new bid process, but, this time they were not the low bidder. The low bidder was Fiberworks, Inc. (SPIN 143006208).

Because of the delay in the e-rate funding, the district will not receive the discount for dedicated services. That means that we will not be able to take advantage of approximately \$140,000 that has been approved. Whiteville City Schools is a low wealth district that is eligible for an overall 80% discount. We desperately need every penny we can get to pay for this network. Then our district funds can be used to meet the instructional needs of our students and staff. Please consider deferring some of these funds to help pay for the internal connections for the WAN. Network electronics and cabling materials total \$101,100.30, and the labor and installation costs are \$30,345. Also the install for the Nxtl line is \$3,000 plus a monthly line charge fee of \$2000 (which is subject to increase July 1).

Thank you for your help and assistance with this request. E-rate is a wonderful program which truly serves the needs of students. The paperwork is another story.

I appreciate your help so much. Please understand that we need this money now. When I found out that we would receive e-rate funding, I told my teachers they would finally have Internet in their classrooms when they return this fall. This funding will mean that we can complete this project. I have been working on it for over three years. My teachers do not believe that it will ever happen. Currently there is one dial-up connection in the media center being used by an entire school. There have been times that an entire grade level has used that one connection to do projects. That means that as many as 240 students were using that one connection to do their work. The need for this resource in the classroom is so strong. Please do what you can to help.

Sincerely,

Patricia L. Medlin  
Director of Curriculum/Contact Person

Application Name: Whiteville City Schools  
471 Application Number: 35321

Billed Entity Number: 12701  
FRNs: 00036125, 00036088, 00035993, 00036110

Building A Foundation for Tomorrow  
An Equal Opportunity Employer  
Exhibit G



UNIVERSAL SERVICE  
ADMINISTRATIVE CO.

Box 125 – Correspondence Unit  
100 South Jefferson Road  
Whippany, New Jersey 07981

**SCHOOLS AND LIBRARIES DIVISION**

**Administrator's Decision on SPIN Change**

October 15, 1999

Patricia L. Medlin  
Whiteville City Schools  
PO Box 609  
Whiteville, NC 28472

Re:    Application Number:            35321  
      Funding Request Numbers:    36125, 36088, 35993, 36110  
      Funding Year:                    1998

After thorough review and investigation of your letter seeking approval to change Service Provider Identification Number (SPIN) and service provider for the funding year listed above, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company has made the following determination on each Funding Request Number that was included in your inquiry for the above referenced Application Number.

Funding Request Numbers:    FRN's listed above:  
Decision on inquiry to change SPIN number and service provider:    Denied

The following explanation is provided to inform you of the reason for our decision on these Funding Request Numbers.

The SLD has finalized its policy and procedures for considering requests from applicants to change SPINs and allow substitution of service providers. The only circumstances under which the SLD can approve such SPIN change requests are:

Service provider refuses to participate in the E-rate program

Service provider has gone out of business

Service provider has breached its contract with the applicant

It has been determined that your situation did not fall into the above mentioned categories, therefore your request has been denied.

If, as a result of this decision, you decide to rescind your request to change service provider, you may do so by filling in the box below and faxing it to the number indicated. This will facilitate the processing of your application as originally filed. You will also need to file a Form 486 indicating the Service Start Date with the original service provider identified in your Form 471. However, please note that if you have already begun to receive services from the unapproved new service provider, no funds will be available from the E-rate program for that service provider.

If you feel further examination of your application is in order, you may file an appeal with the Federal Communications Commission, Office of the Secretary, 445 12<sup>TH</sup> Street, S.W., Room TW-A325, Washington, DC 20554. Before preparing and submitting your appeal, please be sure to review the FCC rules concerning the filing of an appeal of an Administrator's Decision, which are posted to the SLD Web Site at <[www.sl.universalservice.org](http://www.sl.universalservice.org)>. The appeal must be filed with the FCC no later than 30 days from the date of the issuance of this letter, in order for the appeal to be filed in a timely fashion.

Thank you for your continued patience and cooperation during the decision process.

Schools and Libraries Division  
Universal Service Administrative Company

<b>Funding Request Number(s):</b>	<b>Original Service Provider (as listed in Form 471) and SPIN:</b>
<b>I hereby rescind my request to change the above named Service Provider. I will submit a Form 486 (to the address listed on the Form 486) indicating the above-named Service Provider and listing the Service Start Date.</b>	
<b>Print Name:</b>	
<b>Signature:</b>	
<b>Date:</b>	

**Fax to: Schools and Libraries SPIN Change Team (973) 884-8217**

STATE OF NORTH CAROLINA  
COUNTY OF COLUMBUS

**AFFIDAVIT**

Sharon A. Penny, being duly sworn deposes and says:

1. That she is the finance officer for the Whiteville City School System and has been employed in that position for five years.

2. That she has personally reviewed the motion for review and petition for waiver of rule filed by the Whiteville City School System concerning its request to change a provider from MTS to Fiberworks under the E-rate Funding Discount Program.

3. That all data set out in the request for review and petition for waiver concerning student population and composition, capital outlay funds, amounts of bids by providers and resulting E-rate discount funding, are true and correct to the best of her knowledge and based upon the actual records of the Whiteville City School System.

This the 10<sup>th</sup> day of November, 1999.

Sharon A. Penny  
SHARON A. PENNY

Sworn to and subscribed before  
me this 10<sup>th</sup> day of November, 1999.

Michelle S. Ashley  
Notary Public

My Comm. Exp.: 10-20-2003

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